IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 87 OF 1990.

The Commissioner of Income-tax,
Bombay City III, Bombay. ... Applicant.

V/s.

General Insurance Corporation ... Respondent.

Shri A.N. Kotangale with D.A. Dubey for the applicant i/b R.D.Rathod for the applicant.

Ms.V.B. Patel for the respondent.

CORAM : V.C.DAGA AND A.S.AGUIAR, JJ.

DATED : 25.7.2005

P.C. :

. By this reference under section 256 of the Income-tax Act, 1961, the Income Tax Appellate Tribunal has referred the following question of law for the opinion of this Court:

1. Whether, on the facts and in the circumstances of the case, the Tribunal was right in holding that the sum of Rs.3 crore being provision for redemption of preference shares was not liable to be added back to the total income of the assessee for the assessment year 1978-79.

. Learned Counsel for both parties agreed that the above question is covered by the judgment of the

Apex Court in the case of **General lnsurance Corporation vs. C.I.T. (1999) 240 ITR 139.** In this view of the matter, we answer the question in the affirmative i.e. in favour of assessee and against the revenue.

. Reference stands disposed of with no order as to costs.

(A.S.AGUIAR, J.) **(V.C.DAGA, J.)**